

LAKE VERMONT EXTENSION PROJECT SUPPORTING DOCUMENT

Justifying statement for the surface area of the lease

s.245(1)(m) MR Act

Bowen Basin Coal Pty Ltd (Bowen Basin Coal) (ACN 065 321 440) is the 100% applicant of the Lake Vermont Extension Project Mining Lease Application (MLA). Bowen Basin Coal is a private company owned by the Lake Vermont Joint Venture (LVJV), an unincorporated Australian Joint Venture (JV) operating in Queensland comprising QCMM (Lake Vermont Holdings Pty Ltd (70%), Marubeni Coal Pty Ltd (10%), CHR Vermont Pty Ltd (10%) and Coranar (Australia) Pty Ltd (10%). The LVJV participants support Bowen Basin Coal as applicant for the Lake Vermont Extension Project.

Bowen Basin Coal's Lake Vermont Extension Project is proposed to provide additional product coal to help augment the reduced open cut output from the existing Lake Vermont Mine which is located immediately south of the sought extension area. Following ML grant, the Lake Vermont Mine and the sought Lake Vermont Extension Area will collectively be known as the 'Lake Vermont Complex'.

Bowen Basin Coal, as applicant for the MLA, submits that the sought surface area of 8247ha is sufficient for the reasons as outlined below:

1. the surface area of the proposed lease area is located entirely within MDLs 303 and 429 which are held 100% by the MLA applicant (Bowen Basin Coal);
2. areas of restricted land have been identified within the MLA boundary on land 100% owned by the MLA applicant. A map and further details of the identified areas of restricted land are provided as an accompaniment to this MLA;
3. Bowen Basin Coal submits that the entire application surface area footprint of 8247ha is required to support both the underground and open cut mining areas within the MLA boundary in addition to an infrastructure corridor linking the new mining area to existing infrastructure at the Lake Vermont Mine to provide for access, coal haulage, power and water supply and telecommunications infrastructure for the new mining activities. In addition, the required 8247ha MLA area will help support the additional activities during the sought 25 year ML term:
 - a) a Mining Infrastructure Area;
 - b) underground portal, drifts and shafts for underground operations;
 - c) boreholes to support the delivery of materials to the underground operations;
 - d) gas drainage bores and associated surface infrastructure;
4. the sought area of 8247ha within MDLs 303 and 429 will support the sequenced development of mining based on the economic assessment of the scale of the Lake Vermont Extension Project, at pre-feasibility study level, to have an estimated mine life that exceeds the sought MLA term of 25 years. Bowen Basin Coal has included supporting resource information from relevant feasibility studies as part of the Initial Development Plan (IDP) that accompanies the MLA.